

By: Smithee

H.B. No. 3119

Substitute the following for H.B. No. 3119:

By: Hull

C.S.H.B. No. 3119

A BILL TO BE ENTITLED

AN ACT

relating to requirements applicable to certain third-party health insurers in relation to Medicaid.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section [531.024131\(a\)](#), Government Code, is amended to read as follows:

(a) If cost-effective, the commission may:

(1) contract to expand all or part of the billing coordination system established under Section [531.02413](#) to process claims for services provided through other benefits programs administered by the commission or a health and human services agency;

(2) expand any other billing coordination tools and resources used to process claims for health care services provided through Medicaid to process claims for services provided through other benefits programs administered by the commission or a health and human services agency; and

(3) expand the scope of persons about whom information is collected under Section [32.0424\(a\)](#) [~~[32.042](#)~~], Human Resources Code, to include recipients of services provided through other benefits programs administered by the commission or a health and human services agency.

SECTION 2. Section [32.0421\(a\)](#), Human Resources Code, is amended to read as follows:

1 (a) The commission may impose an administrative penalty on a
2 person who does not comply with a request for information made under
3 Section 32.0424(a) [~~32.042(b)~~].

4 SECTION 3. Section 32.0424, Human Resources Code, is
5 amended by amending Subsections (a), (c), and (d) and adding
6 Subsections (b-1), (b-2), and (f) to read as follows:

7 (a) A third-party health insurer shall [~~is required to~~]
8 provide to the commission or the commission's designee, on the
9 commission's or the commission's designee's request, information in
10 a form prescribed by the executive commissioner necessary to
11 determine:

12 (1) the period during which an individual entitled to
13 medical assistance, the individual's spouse, or the individual's
14 dependents may be, or may have been, covered by coverage issued by
15 the health insurer;

16 (2) the nature of the coverage; and

17 (3) the name, address, and identifying number of the
18 health plan under which the person may be, or may have been,
19 covered.

20 (b-1) Except as provided by Subsection (b-2), a third-party
21 health insurer that requires prior authorization for an item or
22 service provided to an individual entitled to medical assistance
23 shall accept authorization provided by the commission or the
24 commission's designee that the item or service is covered under the
25 medical assistance program as if that authorization is a prior
26 authorization made by the third-party health insurer for the item
27 or service.

1 (b-2) Subsection (b-1) does not apply to a third-party
2 health insurer with respect to providing:

3 (1) hospital insurance benefits or supplementary
4 insurance benefits under Part A or B of Title XVIII of the Social
5 Security Act (42 U.S.C. Section 1395c et seq. or 1395j et seq.);

6 (2) a health care prepayment plan under Section
7 1833(a)(1)(A), Social Security Act (42 U.S.C. Section
8 13951(a)(1)(A));

9 (3) a Medicare Advantage plan under Part C of Title
10 XVIII of the Social Security Act (42 U.S.C. Section 1395w-21 et
11 seq.);

12 (4) a prescription drug plan as a prescription drug
13 plan sponsor under Part D of Title XVIII of the Social Security Act
14 (42 U.S.C. Section 1395w-101 et seq.); or

15 (5) a reasonable cost reimbursement plan under Section
16 1876, Social Security Act (42 U.S.C. Section 1395mm).

17 (c) Not later than the 60th day after the date a [A]
18 third-party health insurer receives an [shall respond to any]
19 inquiry from [by] the commission or the commission's designee
20 regarding a claim for payment for any health care item or service
21 submitted to the insurer [reimbursed by the commission under the
22 medical assistance program] not later than the third anniversary of
23 the date the health care item or service was provided, the insurer
24 shall respond to the inquiry.

25 (d) A third-party health insurer may not deny a claim
26 submitted by the commission or the commission's designee for which
27 payment was made under the medical assistance program solely on the

1 basis of the date of submission of the claim, the type or format of
2 the claim form, ~~or~~ a failure to present proper documentation at
3 the point of service that is the basis of the claim, or, for a
4 responsible third-party health insurer, other than an insurer
5 described by Subsection (b-2), a failure to obtain prior
6 authorization for the item or service for which the claim is being
7 submitted, if:

8 (1) the claim is submitted by the commission or the
9 commission's designee not later than the third anniversary of the
10 date the item or service was provided; and

11 (2) any action by the commission or the commission's
12 designee to enforce the state's rights with respect to the claim is
13 commenced not later than the sixth anniversary of the date the
14 commission or the commission's designee submits the claim.

15 (f) In this section, "third-party health insurer" means a
16 health insurer or other person that is legally responsible by state
17 or federal law or private agreement to pay some or all claims for
18 health care items or services provided to an individual. The term
19 includes:

20 (1) a person providing a self-insured plan;

21 (2) a person providing a group health plan as defined
22 by Section 607 of the Employee Retirement Income Security Act of
23 1974 (29 U.S.C. Section 1167);

24 (3) a person providing a service benefit plan;

25 (4) a managed care organization; and

26 (5) a pharmacy benefit manager.

27 SECTION 4. The following provisions of the Human Resources

1 Code are repealed:

2 (1) Section 32.042; and

3 (2) Section 32.0424(e).

4 SECTION 5. If before implementing any provision of this Act
5 a state agency determines that a waiver or authorization from a
6 federal agency is necessary for implementation of that provision,
7 the agency affected by the provision shall request the waiver or
8 authorization and may delay implementing that provision until the
9 waiver or authorization is granted.

10 SECTION 6. This Act takes effect September 1, 2023.